

Message Text

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PAGE 01 LAGOS 09327 131544Z

46

ACTION EB-07

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SUBJECT: NIGERIAN PORT CONGESTION CONTINUES

1. NEW TOTAL NUMBER OF SHIPS AWAITING BERTHING IN LAGOS HAS RISEN TO 156 FROM 139 ON JULY 30. INCREASE PRIMARILY THE RESULT OF ADDITION OF 28 NEW CEMENT SHIPS BRINGING THEIR NUMBER WAITING TO 45. ACCORDING TO THE NIGERIAN PORTS AUTHORITY (NPA) GENERAL MANAGER, ALHAJI B. M. TUKUR, THESE NEW SHIPS ARE CARRYING CEMENT FOR GOVERNMENT BUILDING OF DAMS: HEAVY FOUNDATIONS, AND BRIDGES AND IS MEANT TO REPLACE CEMENT NOW BEING DISCHARGED WHICH IS OVERAGED. TUKUR'S COMMENT IS FIRST OFFICIAL FMG CONCESSION THAT INFERIOR CEMENT IS BEING LANDED IN LAGOS.

2. CONFUSION IN PORT HEIGHTENED BY APPARENT BREADKOWN OF PRIORITY BERTHING AND PORT CARGO CLEARANCE CERTIFICATE (PCCC) SYSTEMS. NPA DECISION IN JUNE THAT PRIORITY CONFERENCE BERTHS SHOULD PERIODICALLY ACCEPT NON-CONFERENCE SHIPS HAS PLAYED HAVOC WITH CONFERENCE SCHEDULES AND FILLED WHARF WAREHOUSES WITH ACCUMULATION OF PETTY MERCHANDISE. FARRELL LINES SHIP "NEPTUNE" HAS BEEN WAITING NEARLY 30 DAYS FOR ITS "PRIORITY" BERTH WHILE NON-CONFERENCE MAINLAND CHINESE VESSEL HAS COME AND GONE

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PAGE 02 LAGOS 09327 131544Z

LEAVING A WAREHOUSE CRAMMED WITH INEXPENSIVE GLASSWARE AND

TEXTILES WHICH SLOW DOWN PROCESSING OF THEIR CARGOS. AT SAME TIME, NPA HAS ADOPTED NEW HARD LINE ON STANDING TWO-MONTH PRE-CLEARANCE REQUIREMENT. FARREL LINES HAS JUST RECEIVED REFUSAL OF CLEARANCE FOR SHIP WHICH HAS ALREADY LEFT U.S. FOR WEST AFRICA. UMARCO HAS SIMILARLY RECEIVED REFUSALS FOR SOME TWENTY INBOUND SHIPS.

3. HEART OF PROBLEM IS UNWIELDY NATURE OF PCCC SYSTEM WHICH REQUIRES SHIPPING LINES TO PREDICT EXACT CARGO MANIFESTS OF NIGERIAN-BOUND SHIPS TWO MONTHS BEFORE U.S. DEPARTURE. NATURE OF LINER BUSINESS NECESSITATES ABILITY TO REACT QUICKLY TO CHANGING NEEDS OF SHIPPERS AND PATTERNS OF TRADE, AND COMPANIES FIND THIS REQUIREMENT A PRACTICAL IMPOSSIBILITY. TO DATE COMPANIES HAVE SUPPLIED MANIFESTS TO NPA AS FACT THEY COULD (SELDOM TWO MONTHS IN ADVANCE), AND NPA HAS NOT OBJECTED. NEW TOUGH NPA POSTURE ON TWO-MONTH NOTICE, TOGETHER WITH DILUTION OF "PRIORITY" BERTHS NOTED ABOVE, COULD SERIOUSLY IMPEDE CONFERENCE LINE SYSTEM. SHORTAGES OF RAW MATERIALS FOR LOCAL INDUSTRY ALREADY FELT CAUSING SOME FACTORY CLOSINGS AND LAYOFFS.

4. FROM POINT OF VIEW OF NIGERIAN CONSIGNEE, PCCC SYSTEM HAS ALSO WORKED POORLY. NEW PCCC, REQUIRED ALONG WITH OTHER DOCUMENTS FOR FOREIGN EXCHANGE CLEARANCE AND PAYMENT ON SHIPMENT OF GOODS SELDOM AVAILABLE TO CONSIGNEE BEFORE ARRIVAL AND CUSTOMS CLEARANCE OF GOODS MAKES IT IRRELEVANT. THUS NEW PCCC SYSTEM HAS EFFECTIVELY NEGATED APRIL 1, 1975 CHANGE TO FOREIGN EXCHANGE REGS ALLOWING PAYMENT FOR GOODS ON SHIPMENT AND ADDS TO COST OF IMPORTED GOODS AND TIME REQUIRED FOR THEIR CLEARANCE.

5. ON POSITIVE SIDE, COMMISSIONER FOR TRANSPORT MAGORO ANNOUNCED FMG HAS DESIGNATED N800 MILLION FOR THE DEVELOPMENT OF PORT FACILITIES AND SERVICES DURING THE PLAN PERIOD. HE PROVIDED NO DETAILS OTHER THAN NOTING THIS SUM INCLUDES THE N200 MILLION CONTRACT AWARDED TO JULIUS BERGER TO DESIGN AND BUILD THE TIN CAN ISLAND PORT COMPLEX. IN MID-JULY A BULK CEMENT FACILITY WAS OPENED AT THE APAPA WHARF. WITH THIS N12 MILLION INSTALLATION, CEMENT IS PUMPED DIRECTLY FROM SHIP INTO WAITING TANK TRUCKS AND BROUGHT TO NEARBY RECEIVING POINTS FOR DISTRIBUTION. 2500 METRIC TONS PER DAY HANDLED. BAGGING LIMITED OFFICIAL USE

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PAGE 03 LAGOS 09327 131544Z

OF BULK CEMENT WILL BEGIN THIS MONTH.

6. FURTHER GOOD NEWS IN INCREASE IN NPA CONTAINER LANDING QUOTA FOR LAGOS. BECAUSE OF INCREASED EFFICIENCY IN CONTAINER HANDLING ALONG WITH EXTRA STOCKING AREA PROVIDED AT LILY POND, APAPA, NPA RAISED MONTHLY QUOTA FROM 2100 TO 3010 (1050 FOR COWAC AND MEDWAC, 340 FOR AMERICAN-WEST AFRICA, 100 FOR FAR EAST-WEST AFRICA, 1250 FOR UKWAC, REMAINDER MISC). FARRELL LINES

HAS ALREADY BEGUN BRINGING IN ALL-CONTAINER VESSEL TO TAKE
ADVANTAGE OF CHANGE.
CAHILL

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